

20th ANNUAL REPORT 2009-10

Thrust on Rural Housing



DHFL Vysya Housing Finance Limited

BRANCH NETWORK

KARNATAKA

No. 284, Venkatadri Building
2nd Main Road, Sampige Road
MALLESWARAM,
BANGALORE - 560 003.
Ph.: [080] 2344 1637 / 2344 1737

No. 20, 'Ashirwad',
3rd Block, 9th Main
JAYANAGAR
BANGALORE - 560 011
Ph.: [080] 2653 6899 / 2653 8140

19 & 20, I Floor, Block B
Revankar Complex, Court Circle
Vivekananda Hospital Road
HUBLI - 580 029
Ph.: [0836] 225 7029 / 235 8564

No. 2742/1A, I Floor
VV Mohalla
MYSORE - 570 002
Ph.: (0821) 251 2482 / 250 0797

MAHARASHTRA

1195/4C, Ground Floor
Deep Gouri Apartments
Opp. F C Road (East), Shivaji Nagar
PUNE - 411 005
Ph.: [020] 2552 1835 / 2551 0360

No. 101 & 102, 1st Floor
Hemu Classic Premises, S. V. Road
Malad West, Opp. New Era Theatre
MUMBAI - 400 064
Phone: [022] 2880 3273, 2880 3278

TAMILNADU

11 & 11A, Challa Mall
No. 109, 1st Floor,
Sir Thygaraya Road, T Nagar
CHENNAI - 600 017
Ph.: [044] 2434 9364 / 5200 1263

No. 382-C, Manian Corner
1st Floor, DB Road, R S Puram
COIMBATORE - 641 002
Ph.: [0422] 247 0017 / 247 0438

No. 2 & 3, 1st Floor, Premier Towers
Lakshmi Vilas Street
KUMBAKONAM - 612 001.
Ph.: [0435] - 240 2280 / 242 3480

ANDHRA PRADESH

4-1-371, 2nd Floor
Kundas Estates
Besides Jaya International Abids
HYDERABAD - 500 001
Ph.: [040] 2475 3183 / 2475 7784

No. 3, 1st Floor, Sai Vikram Towers
H. No. 15-21-42/1/S-3
Near Bus Stop, Kukatpally
HYDERABAD - 500 072
Ph.: [040] 2305 7163, 2305 7263

No. 211-B, F102, 1st floor,
Rams Plaza, 2nd Lane
Dwaraka Nagar,
VISAKHAPATNAM - 530 016
Ph.: [0891] 252 5259, 273 7629

No. 9-756, "Immadi Setty Towers",
1st Floor, Santhapet
NELLORE - 524 001
Phone: [0861] 233 5855, 233 5856

39-1-89, Ground Floor,
Kalyan Complex
M G Road, Labbipet
VIJAYAWADA - 520 010
Ph.: [0866] 248 2587 / 247 2587

Flat No 9, 1st Floor (North Side)
Opp. Palani Theatre
Royal Cheruvu Road
TIRUPATI - 517 501
Ph.: [0877] 224 1144 / 224 0950 / 4601

Door No. 40-321-5
Abduallah Khan Estate
Opp. Z. P. Office
KURNOOL - 518 001
Ph.: [08518] 228 180 / 278 180

UTTAR PRADESH

Shop No. 15, 16, 17,
Krishna Complex,
Sector - 31, Nithari
NOIDA - 201 301
Ph.: [0120] 245 5201 / 202 / 203

Twentieth Annual General Meeting

22nd July 2010 at 14.30 Hours

VENUE :

Corporate Office : No. 3, 8th A Main,
JVT Towers, Sampangirama Nagar
Bangalore - 560 027.



CONTENTS

Board of Directors	2
Notice	4
Directors' Report	7
Auditors' Report	15
Financial Statements	17
Performance Highlights	33

BOARD OF DIRECTORS



Shri Kapil Wadhawan
CHAIRMAN



Shri R. Nambirajan
MANAGING DIRECTOR



Shri R.S. Hugar



Shri Bikram Sen



Shri G.P. Kohli

Board of Directors

Shri. Kapil Wadhawan
Chairman

Shri. R. Nambirajan
Managing Director

Shri. R. S. Hugar
Director

Shri. Bikram Sen
Director

Shri. G. P. Kohli
Director

President

Shri. S.R. Hegde

Company Secretary

Shri. M.S. L. Nathan

Solicitors

M/s. Khetty & Co.,

Auditors

M/s. B.M.Chaturvedi & Co.,
32, Jolly Maker Chambers - II,
Nariman Point,
Mumbai - 400 021.

Bankers

ING Vysya Bank Ltd.,
Oriental Bank of Commerce
Andhra Bank
State Bank of Hyderabad
Corporation Bank
Syndicate Bank
United Bank of India
IDBI Bank
Karur Vysya Bank
State Bank of Bikaner & Jaipur

Registered Office

S 401, Brigade Plaza,
Ananda Rao Circle,
S.C. Road,
Bangalore - 560 009.

Corporate Office

No. 3, 8th A Main,
JVT Towers,
Sampangirama Nagar,
Bangalore - 560 027.

NOTICE OF TWENTIETH**ANNUAL GENERAL MEETING**

Notice is hereby given that the TWENTIETH ANNUAL GENERAL MEETING of the members of DHFL Vysya Housing Finance Limited, will be held at the Corporate Office of the Company, No. 3, 8th A Main, J.V.T. Towers, Sampangirama Nagar, Bangalore - 560 027 on Thursday, the 22nd July, 2010 at 14.30 hours to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit and Loss Account of the Company for the year ended 31st March, 2010, together with the Report of Board of Directors' and Auditors' thereon.
2. To declare final dividend on equity shares for the year ended 31st March, 2010 and to confirm the interim dividend on equity shares declared by the Board at its Meeting held on 26th October, 2009.
3. To appoint a Director in the place of Shri. R.S. Hugar who retires by rotation and is eligible for reappointment.
4. To appoint Auditors and fix their remuneration and for that purpose, to pass, the following resolution as an ordinary resolution:

"RESOLVED THAT M/s. B.M. Chaturvedi & Company, Chartered Accountants, Mumbai, be and are hereby reappointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be decided by the Board of Directors of the Company and reimbursement of actual traveling and other out of pocket expenses incurred by them for the purpose of audit."

SPECIAL BUSINESS

5. To consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Section 163 of the Companies Act, 1956, the Company hereby approves that the Register of Members, the Index of Members, the register and index of debenture-holders and copies of all Annual Returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act of any one or more of them, be kept at the Company's Corporate Office at No.3, JVT Towers, 8th A Main Road, Sampangirama Nagar, Bangalore - 560 027, instead of being kept at the Registered Office of the Company."
6. To consider and if thought fit to pass, with or without modifications the following resolution as a special resolution:
"RESOLVED THAT in supersession of all resolutions passed at the earlier statutory meetings and pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow, from time to time, such sum or sums of money as it may consider fit and proper for the purpose of business of the Company, notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained or to be obtained from the banks and/or financial institutions in their ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves not set apart for any specific purposes, provided, however that the total amount borrowed by the Board and outstanding at any time, shall not exceed the sum of Rs. 1000 Crores (Rupees one thousand crores only).

Registered Office:

S 401, 4th Floor, Brigade plaza,
Anand Rao Circle,
Bangalore - 560 009.

Place : Mumbai
Date : 11th May, 2010

By order of the Board

M.S.L. Nathan
COMPANY SECRETARY

NOTES

1. A member whose name appears in the Register of Members of the Company as on 16th July 2010 is entitled to attend and vote at the Meeting. Such member is entitled to appoint a proxy to attend and vote instead of himself, and the proxy need not be a member.

The proxies, to be valid, should be lodged with the Corporate Office of the Company at DHFL Vysya Housing Finance Ltd, No. 3, 8th A Main Road, J.V.T. Towers, Sampangi Ramanagar, Bangalore - 560 027, not less than 48 hours before the commencement of the Meeting.

2. As a measure of economy, copies of Annual Report will not be distributed at the Meeting. Members are requested to bring their copies of Annual Report to the Meeting.
3. Members are requested to notify any change in their address to the Registered Office of the Company, at No. S.401, 4th Floor, Brigade plaza, Anand Rao Circle, Bangalore -560 009.
4. Member Companies / Institutions are requested to send a copy of the resolution of their Board / Governing Body authorising their representative to attend and vote at the Meeting. .
6. Members are requested to quote their folio number (s) in all correspondence with the Company.
7. Members are requested to notify consolidation of their shareholding, if registered in identical name in more than one folio by sending a request letter to Corporate Office along with relative share certificates.
8. Subject to the provisions of Section 206A of the Companies Act, 1956 the dividend, if declared at the AGM, will be paid to those members entitled thereto whose names appear in the Register of Members at the closing hours of the of 16th July 2010.
9. The members desiring any information as regards accounts are requested to write to the Company at an early date so as to enable the Company to keep the information ready.
10. The shares of our Company were converted into the electronic form and the job of handling share transfers had been entrusted to our Share Transfer Agents viz., M/s. TSR Darashaw Limited, 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalakshmi, MUMBAI - 400 011.

Members who have not so far converted their holdings into the demat form are requested to kindly take advantage of this arrangement.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No. 5

Under Section 163 of the Companies Act, 1956, certain documents which are normally required to be kept at the Registered Office of the Company may be kept at any other place within the city, town or village in which the Registered Office is situated if such other place has been approved by a Special Resolution passed by the Company in General Meeting.

Computerized system of processing of housing loan proposals, maintenance of day-to-day Accounts, H.R., Administration of the Company, etc. are being done at the Corporate Office of the Company situated at No.3, JVT Towers, 8th A Main Road, Sampangirama Nagar, Bangalore - 560 027. Therefore, it is necessary to maintain the current Records such as Register of Members, Index of Members, Register and Index of debenture holders and copies of certificates/documents annexed thereto under Sections 150 and 161 of the Companies Act, 1956, at the Corporate Office of the Company.

Therefore approval of the members is sought in terms of Section 163(i) of the said Act for keeping the said Records and documents at the Corporate Office instead of at the Registered Office of the Company.

Advance notice of this Resolution, as required under Section 163(iii) of the Companies Act 1956 has been given to the Registrar of Companies, Karnataka, Bangalore.

None of the Directors is interested or concerned in this resolution.

Item No. 6

At the 5th Annual General Meeting held on 17th August, 1995, a Special Resolution was approved by the members authorizing the Board of Directors to borrow monies not exceeding Rs.500 crores. However, due to increase in the business activities of the Company, the fund requirements of the company is expanding day by day and the Company has determined to increase its loan port-folios considerably in the years to come. Therefore, it is felt necessary that the borrowing powers of the Board of Directors has to be increased considerably so as to enable it to avail Term Loans from various banks and financial institutions from time to time. Hence the proposed Special Resolution.

None of the Directors is interested or concerned in this resolution.

Registered Office:

S 401, 4th Floor, Brigade plaza,
Anand Rao Circle,
Bangalore - 560 009.

By order of the Board

M.S.L. Nathan
COMPANY SECRETARY

Place : Mumbai
Date : 11th May, 2010

DIRECTORS' REPORT



DEAR MEMBERS,

Your Directors have great pleasure in presenting their Twentieth Annual Report of your Company with audited accounts for the year ended 31st March 2010.

OPERATING RESULTS:

A comparative statement of the Financial Results of the Company for the year under review and the previous year are furnished below:

Particulars	Rs. in lakhs	
	F.Y. 2009-10	F.Y. 2008-09
Gross income	4988.12	4364.47
Profit before tax	1192.77	887.12
Provision for tax	337.07	255.36
Profit after tax	855.70	631.76
APPROPRIATIONS		
Transfer to special reserve	240.00	176.88
Transfer to general reserve	90.00	75.00
Proposed dividend	110.81	70.81
Interim dividend	106.21	106.21
Carried over to B/S	1044.57	772.78

The adverse impacts of global financial crisis resulting in recession in Real Estate market in India continued during the first half of the year which posed challenging market conditions. However, stimulus measures taken by the Government to regulate financial markets, have resulted in improvement in domestic markets during the second half and your company had fully utilized this advantage and left no stones unturned, duly increasing its home loan portfolios considerably. A special focus was made on rural housing scheme during the year under review. 80% of the total disbursements have been made in rural areas.

During the year under review, while sanctions went up to Rs.191.36 crores (Rs. 83.17 crores last year), the disbursements climbed to Rs.171.88 crores (compared to Rs. 72.74 crores last year, thus a growth of 130% has been achieved during the year.

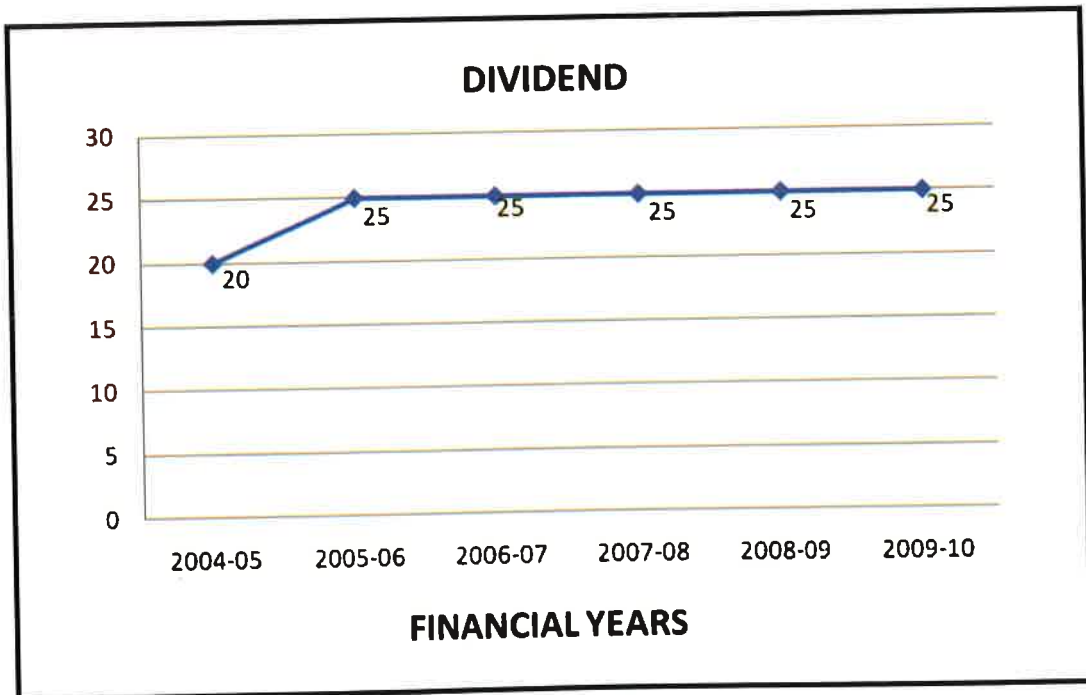
DIVIDENDS:

Interim Dividend

Confining to their concept of maintaining a fair dividend policy and social responsibility towards the stakeholders of the Company, your Directors have declared an INTERIM DIVIDEND of 15% (Rs.1.50 on each equity share of Rs.10) appropriated from the profits of the Company for the year under review.

Final Dividend

There has been a notable increase in the net profit of the company during the year under review which grew by 35.44%. Considering this viable position, your Directors have recommended a FINAL DIVIDEND of 10% (Re.1/- on each equity share of Rs.10/-) on the increased share capital, subject to approval by members, to be appropriated from the profits for the year. Thus the total dividend declared for the year under report would be 25 % (25% paid during last year).



HOUSING FINANCE SECTOR SCENARIO AND FUTURE PROSPECTS:

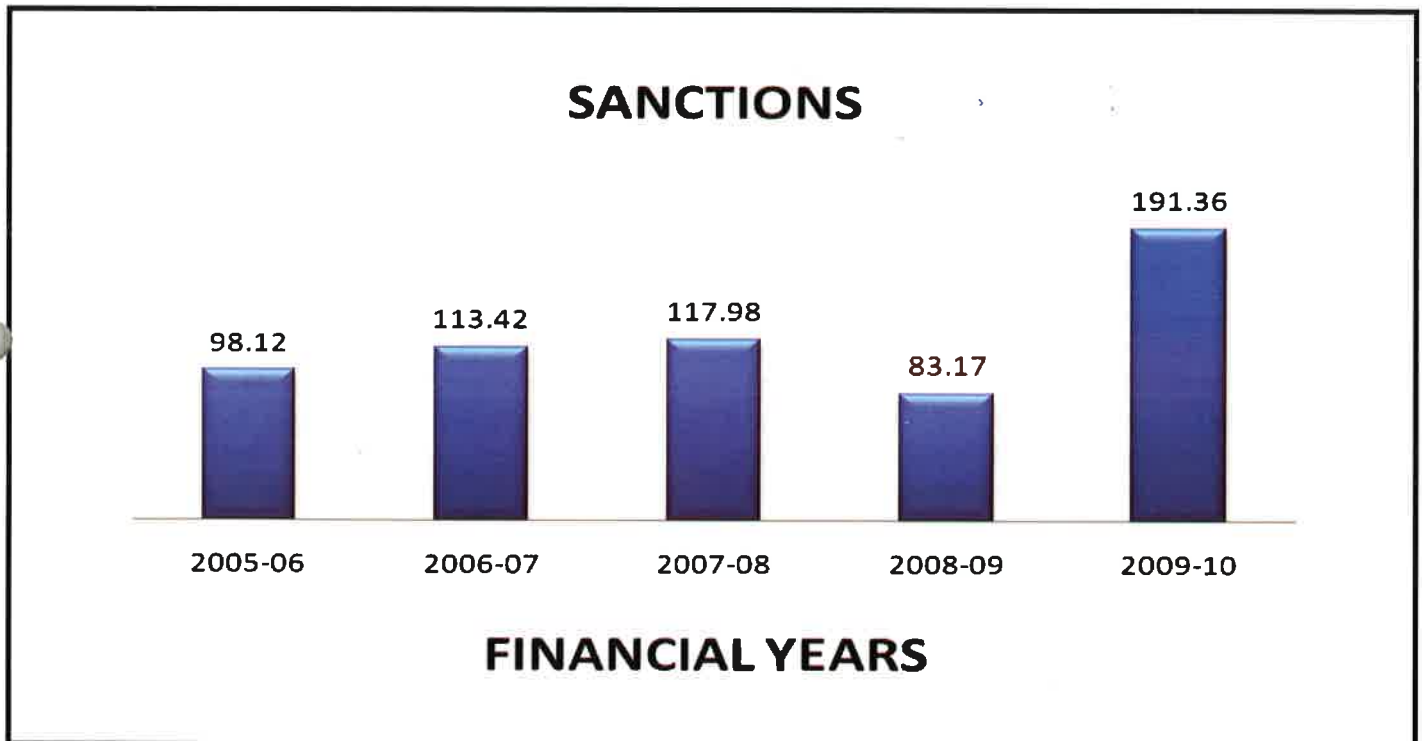
Indian financial market, which was shattered by financial turbulence due to dwindled global economic activities during the previous year, started its recovery process during the first half of the year under report. Due to this, your Company had to plan strategic exercises like appointment of more number of Marketing Executives, introduction of productivity linked incentives to key personnel, dedicated approach to market's grass root levels periodically, intrinsic dialogues with the Branches through con-calls with regular intervals, frequent visit to the rural areas by the Executives at Corporate Office, have all contributed great strength to increase the business activities of the Company during the second half of the year which have yielded the desired results. With the improved scenario, your Company achieved a growth rate of 130 % during the year under report.

The healthy trend prevailed in the second half of the year expected to continue during the current year also and your company will continue its marketing strategies with improved quality of service to the common man thereby, all efforts will be made to widen company's market share.

PERFORMANCE DURING THE YEAR:

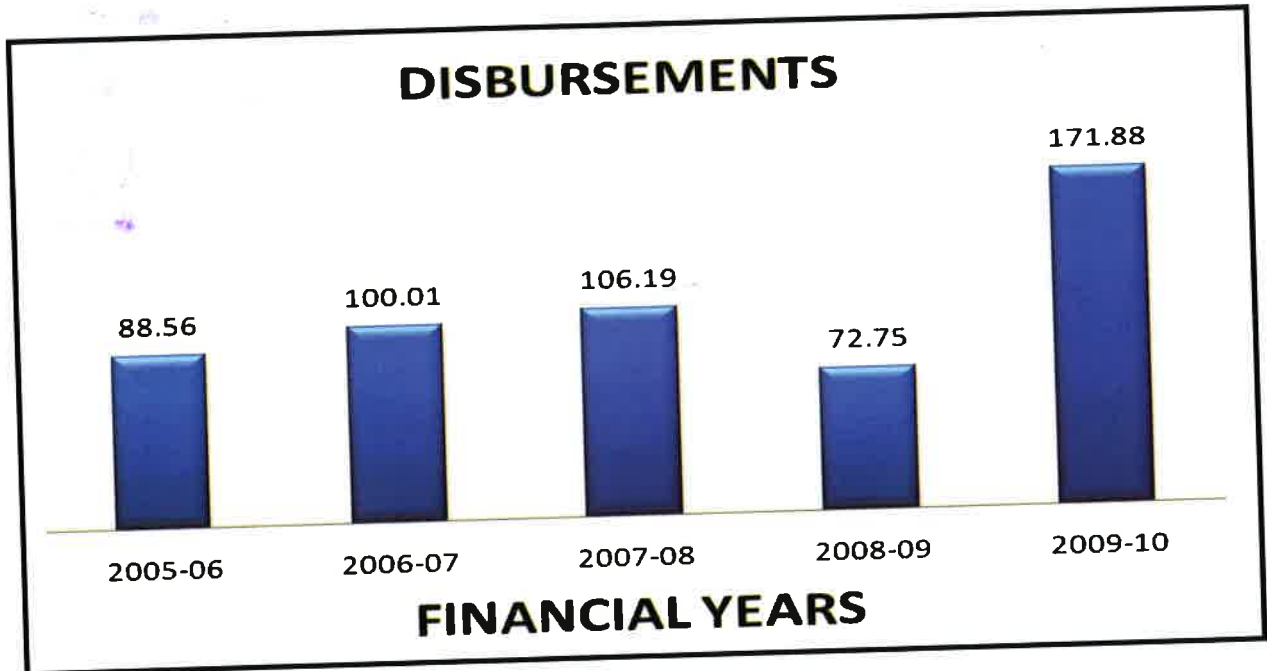
The strategic approach made by your Company during the second half of the year had resulted in gradual but steep increase in its business performance.

Sanctions during the year has improved considerably when compared to that of previous year. It went upto Rs.191.36crores as against 83.17 crores pertaining to the previous year.



Your company surpassed its target in respect of disbursement during the year under review. Disbursements amounted to Rs.171.88 crores which was Rs.72.74 crores in the previous year, thus a notable growth of about 136%.

This has resulted in increase of total outstanding loans from Rs.329.22 crores as on 31-03-2009 to Rs.422.91 crores as on 31-03-2010.



RECOVERY

In the area of recovery, your Company had initiated drastic and vigorous exercise and went all out to contain the level of NPA and improve its recovery process and succeeded to a greater extent.

The level of NPA as at the end of the year under review has been brought down considerably compared to that of last year.

While the gross NPA stood at Rs.3.76 crores at the end of the year compared to that of Rs.3.83 crores at the end of the previous year, the net NPA stood at Rs. 3.06 crores as at 31st March 2010 which was at Rs.3.18 crores as at the end of previous year. The percentage of gross NPA to net NPA worked out to 0.89% & 0.72% respectively as against 1.16% & 0.96% relating to the previous year. After 31-03-2010, your company continued its arduous task to reduce the amount of NPAs substantially.

RATIOS

	F.Y. 2009-10	F.Y. 2008-09
Earning per share (weighted average)	Rs.10.17	Rs.8.92
Dividend per share	25%	25%
Book value	Rs.77.64	Rs.66.93
Return on equity	101.78%	89.27%
Return on net worth	13.10%	13.34%

TERM LOANS AND REFINANCE FROM NATIONAL HOUSING BANK:

During the year, the company has availed term loan from various Banks to the extent of Rs.75 crores (including short term loan of Rs.15 crores). The National Housing Bank sanctioned a refinance assistance of Rs. 80.00 crores out of which, Rs.35.48 crores has been availed during the year.

RURAL HOUSING UNDER GOLDEN JUBILEE RURAL HOUSING FINANCE SCHEME

During the year under report, your company had approved 1994 cases under the Golden Jubilee Rural Housing Scheme and disbursed a total amount of Rs.140.82 crores.

DEPOSITS

The total deposits outstanding as on 31st March, 2010 is Rs.12.98 crores inclusive of accrued interest. The company has repaid matured deposits amounting to Rs.4.45 crores during the year under report and mobilised deposits at current rates to the extent of Rs. 8.13 crores (including renewal).

Unclaimed Deposits

For the financial year ending 2009-2010, deposits amounting to Rs.58.05 lakhs, including accrued interest, remained unclaimed by the depositors. The Company regularly intimates the depositors about the maturity of the deposits with a request to either renew or claim the amount.

Out of unclaimed deposits as on 31-03-2010, 45 deposits amounting to Rs. 27.58 lakhs had since been paid / renewed as a result of follow-up as at 30.04.2010.

CREDIT RATING

Our present rating awarded by CRISIL for deposit is FAA-positive and for short term borrowings P1+. For long term borrowings ICRA has awarded LA+ and this performance was due to the support given by parent company Dewan Housing Finance Corporation Ltd. and good performance of the company.

FAIR PRACTICE CODE

'FAIR PRACTICE CODE' as per the guidelines issued by the NHB has been fully implemented during the year under report.

TECHNOLOGY UPGRADATION:

Your company is maintaining an upgraded on-line technology from the previous year when with inter connectivity facilities was inducted and the facilities are being fruitfully utilized at all levels in the organization. Absorption of latest technologies are considered from time to time.

CAPITAL ADEQUACY NORMS:

Over the past several years, your Company had been maintaining much higher capital adequacy ratio and in that process, as against the requirement of 12%, your company has maintained a Capital Adequacy Ratio of 25.28% as at the end of the year.

INTERNAL AUDIT COMPLIANCE:

Internal control system is under the constant review by the management. While qualified Chartered Accountants are appointed as Concurrent Auditors to all the Branches, their reports are monitored regularly by the Audit Committee to ensure adequate internal control system and if need be, new auditors will be appointed to a few branches to strengthen the vigilance.

FUTURE PLANS:

With the healthy growth witnessed during the later part of the year, your Company proposes to tap wider range of markets in the southern part of the country and in this exercise your company has already made an inroad into the State of Kerala which remained untapped for a long time. As a first step to explore market in Kerala, a service centre at Palghat has already been opened and another at Trissur district will be opened up shortly. Opening of one branch at Cochin in that state is in the offing.

With a view to widening our market wings, opening new branches at Nasik (Maharashtra) and Kakinada (A.P.) and new service centres at Virar (Thane) and Thane (Maharashtra), Chaken (Pune), Yelahanka and K.R. Puram (Bangalore) and Hosur (Tamil Nadu) have already been finalized and would be opened up shortly. With the future outlook promising a bright market, your Company is optimistic to proliferate its market share multifold in the years to come.

CORPORATE GOVERNANCE:

Though the listing norms do not govern the company's affairs as it is an unlisted company, your company has evolved a voluntary disclosure process to meet its obligations to the shareholders, its customers, Government authorities, employees, lenders and the Society.

The company has the following Committees:

1. Board of Directors:

The Board is headed by Shri. Kapil Wadhawan as Chairman, Shri. R. Nambirajan as Managing Director and experts from various fields like housing sector, banking, legal, company affairs, etc. are part of the Board.

Shri. Ashok Kumar Gupta resigned as a Director with effect from 26th October, 2009.

Shri. R.S.Hugar, Director, retires by rotation and being eligible, offers himself for reappointment. The Board of Directors recommends his reappointment so as to continue to receive fruitful contribution from Shri. Hugar.

During the year under report, the Board met six times.

NAME OF THE MEMBER Shri.	DATE OF BOARD MEETING						NUMBER OF MEETINGS ATTENDED
	07/05/2009	18/07/2009	21/09/2009	26/10/2009	28/11/2009	27/01/2010	
Kapil Wadhawan	Yes	No	Yes	Yes	Yes	Yes	5
R S Hugar	No	Yes	No	Yes	No	yes	3
R Nambirajan	Yes	Yes	Yes	Yes	Yes	Yes	6
Bikram Sen	Yes	Yes	Yes	Yes	Yes	Yes	6
G P Kohli	Yes	Yes	Yes	Yes	Yes	Yes	6

2. Audit Committee :

As its Chairman, Shri. R.S. Hugar heads the Audit Committee, while Shri. Bikram Sen, Shri. R. Nambirajan, Shri. G.P. Kohli are members of the committee. The committee receives expert opinion from Shri. B.M. Chaturvedi, the Company's Statutory Auditor who is the permanent invitee.

The Committee review various matters relating to Recovery, Assets Liability Management, accounts, inspection and renders suitable advice and recommendation to the Board from time to time.

During the year under review, the Committee met four times.

NAME OF THE MEMBER Shri.	DATE OF AUDIT MEETING				NUMBER OF MEETINGS ATIENDED
	07-05-2009	18-07-2009	26-10-2009	27-01-2010	
R S Hugar	No	Yes	Yes	Yes	3
R Nambirajan	Yes	Yes	Yes	Yes	4
Bikram Sen	Yes	Yes	Yes	Yes	4
G P Kohli	Yes	Yes	Yes	Yes	4

3. Asset & Liability Committee (ALCO)

Objective of Asset Liability Management Committee

The Committee comprises of the Managing Director, President, Executive Vice-President, Company Secretary and senior employees from Accounts and Computer Planning Department, and its object is to constantly review the assets and liabilities under various time buckets within the norms prescribed by NHB, the Committee ensures management of short term and long term liquidity to the maximum advantage of the company. Its reports are placed before the Audit Committee and Board of Directors from time to time for perusal.

4. Treasury Committee:

The Treasury Committee comprises of Managing Director, President and Chief Manager (Accounts), meets periodically to deliberate and decide on matters connected to purchase / sale of instruments keeping in views, the Investment Policy laid down by the Board.

The Committee also decides on profitable deployment of funds and apart from making a a review of all the investments held by the company at various points of time.

DIRECTORS RESPONSIBILITY STATEMENT

As required by Sec 217 (2AA) of the Companies Act, 1956, The Board of Directors confirm that:

- In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- Accounting policies have been selected and applied consistently and judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view on the state of affairs of the company as on 31st March 2010, and profit and loss account of the company for the year ended as above.
- Proper and sufficient care has been taken for maintenance of accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a 'going concern' basis.

AUDITORS:

M/s. B.M Chaturvedi & Co, Chartered Accountants, Mumbai, whose term of appointment as Statutory Auditors expires at the conclusion of the current meeting expires, have expressed their willingness to be reappointed. Therefore, a resolution proposing their reappointment will be placed before the members for their consideration at the Twentieth AGM.

HUMAN RESOURCES:

Cordial and harmonious relationship with the company's personnel were maintained during the year. The company continued to conduct inhouse training programmes for the benefit of the employees and training programmes held by National Housing Bank and other noted professional institutions groomed the employees to deal with any kind of task.

REMUNERATION TO EMPLOYEES

No employee was paid remuneration in excess of the limits specified sub section (2A) of section 217 of the Companies Act, 1956 and as such, particulars under the said Section are not disclosed.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE:

The Company being a non-manufacturing company, the requirement for disclosure of particulars regarding conservation of energy as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable.

There were neither foreign exchange earnings nor outflow during the year under review.

ACKNOWLEDGEMENT

While your Directors wish to place on record the continued patronage, guidance and support given by its parent Organisation Dewan Housing Finance Corporation Limited, they are much pleased to place on record their sincere appreciation of the support received from its esteemed customers, NHB, Bankers, depositors and the shareholders. Your Directors are confident to receive similar support, patronage and guidance in the years to come.

Your Directors also would like to place on record their deep sense of appreciation of the competence, hard work, solidarity, co-operation support and commitment of the employees at all levels which enabled the company to progress well.

REGISTERED OFFICE:

S 401, 4th Floor, Brigade Plaza,
Ananda Rao Circle,
Bangalore - 560 009.

Place : Mumbai
Date : 11th May 2010

For and on behalf of the Board

Kapil Wadhawan
CHAIRMAN

AUDITORS' REPORT

To the Members,

DHFL Vysya Housing Finance Limited.

We have audited the attached Balance Sheet of **DHFL Vysya Housing Finance Limited**, as at **31st March 2010**, the Profit & Loss Account and the Cash Flow statement of the company for the year ended on that date, annexed thereto. These financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that,

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of account, as required by law have been kept by the company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us. The Branch Auditors' Reports have been forwarded to us and have been appropriately dealt with.
3. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the Audited Returns from the branches.
4. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of Companies Act, 1956.
5. On the basis of written representations received from the Directors of the Company as on 31st March 2010, and taken on record by the Board, we report that none of the Directors is disqualified as at 31st March 2010 from being appointed as a Director under Section 274 (1) (g) of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010,
 - ii) In case of Profit & Loss Account, of the profit of the Company for the year ended on that date and
 - iii) In case of Cash Flow statement, of the Cash Flow for the year ended on that date.
7. As required by the Company's (Auditors' Report) Order, 2003 issued by the Central Government, in terms of Section 227 (4A) of the Companies Act, 1956, we further state that :
 - i) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification. There is no material disposal of fixed assets during the year.
 - ii) The Company does not have any inventory due to nature of its business of housing finance.
 - iii) The company has granted loans to companies, firms or other parties covered in the register maintained under section 301 of the Act, by way of ICD of Rs.20.00 cr. to its holding company which was repaid during the year along with interest thereon. The rate of interest and other terms and conditions of such loan are, in our opinion, prima facie not prejudicial to the interest of the company and was repaid as per stipulation.

- iv) There is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and sale of services. Company has no purchase or sale of goods.
- v) There are no transactions, other than mentioned in paragraph (iii) above recorded in the register maintained in pursuance of section 301 of the Act.
- vi) The company has accepted deposits from the public. In our opinion and according to the information and explanations given to us, the Company has, during the year, complied with the directives issued by the National Housing Bank under the Housing Finance Companies [NHB] Directions, 2001 with regard to deposits accepted from the public and the Rules framed thereunder and the provisions of sections 58A and 58AA and other relevant provisions of the Companies Act, 1956.
- vii) In our opinion, the concurrent internal audits of all the branches of the company including head office carried out during the year by various firms of Chartered Accountants, appointed by the management, have been commensurate with its size and nature of its business.
- viii) Central Government has not prescribed maintenance of any cost records.
- ix) According to the records of the company, it is regular in depositing undisputed statutory dues such as Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax and any other statutory dues whichever is applicable to the company with the appropriate authorities.
- x) The company has positive networth, which is more than its equity capital and has neither any accumulated losses nor it has incurred any cash losses in this financial year.
- xi) The company has not defaulted in repayment of dues to any financial institutions or bank.
- xii) Company has maintained adequate documents and records for the loans and advances granted by it on the basis of security by way of residential houses and properties, pledge of shares, debentures, and other securities.
- xiii) The company is not engaged in any Chit fund business / nidhi / mutual benefit fund or society.
- xiv) The company is maintaining proper records of the transactions and contracts about the dealings in securities & investments and has made timely entries in records. The securities, debentures and other investments have been held by the company, in its own name.
- xv) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) The company has generally applied the amount raised by it by way of term loans for the purpose for which those loans were obtained, other than temporary deployment pending application of those funds.
- xvii) The company is engaged in the housing finance business and is governed by National Housing Bank [NHB] guidelines for raising deposits and deployment of its funds in its business and the company has followed the NHB guidelines for fund raising and its deployment and adhering to the ALCO Management guidelines prescribed by NHB and accordingly based on above we confirm that company has generally not used its short term funds in long term investments.
- xviii) The company has made preferential allotment of equity shares during the year as approved by the members in its AGM for the quantity and pricing thereof. Accordingly the price at which such shares are allotted are not prima facie prejudicial to the interest of the Company.
- xix) The company has not issued any secured debentures during the year.
- xx) The company has not raised any money by way of public issues during the year.
- xxi) As explained to us, the company has noticed fraud in four accounts pertaining to loans given in earlier period by way of misrepresentation by those borrowers and a staff to avail housing loans involving an unrecoverable amount of Rs.19.32 lacs and the same have been written off during the financial year.

For **B.M. CHATURVEDI & Co.**
Chartered Accountants

Place : MUMBAI
Date : 11th May, 2010

B.M. Chaturvedi
ICAI. M. No. 17607
FRN.114317W

DHFL VYSYA HOUSING FINANCE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

(In Rs.)

Schedule	As at 31.03.2010		As at 31.03.2009	
Sources of Funds :				
Shareholders Fund				
Share Capital	A	110,807,050	70,807,050	
Reserves & Surplus	B	545,481,470	415,183,174	485,990,224
Loan Funds				
Secured Loans	C	3,656,980,439	2,903,836,065	
Unsecured Loans	D	129,847,919	93,030,429	
		3,786,828,358		2,996,866,494
TOTAL		4,443,116,877		3,482,856,718
Application of Funds :				
Fixed Assets :				
Gross Block	E	31,470,473	29,234,598	
Less : Depreciation		22,381,831	20,421,317	
Net Block		9,088,642		8,813,281
Housing & Other Loans	F		4,229,107,099	3,292,240,689
Investment	G		72,733,239	27,519,411
Deferred Tax Assets	H		2,960,262	2,167,264
Current Assets, Loans & Advances	I	169,114,619	182,600,227	
Less : Current Liabilities & Provisions	J	39,886,984	30,484,153	
Net Current Assets		129,227,635		152,116,074
TOTAL		4,443,116,877		3,482,856,718
Balance Sheet Abstract & Company Profile	P			
Significant Accounting Policies and Notes to Accounts	Q			

Schedules referred herein above and annexed hereto form part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For **B M CHATURVEDI & CO.,**
Chartered Accountants

KAPIL WADHAWAN
Chairman

R NAMBIRAJAN
Managing Director

R S HUGAR
Director

B M CHATURVEDI
ICAI M. No. 17607
FRN.114317W

G P KOHLI
Director

BIKRAM SEN
Director

Place : MUMBAI
Date : 11.05.2010

M S L NATHAN
Company Secretary

DHFL VYSYA HOUSING FINANCE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(In Rs.)

			Year ended 31 st March, 2010	Year ended 31 st March, 2009
INCOME :				
Income from Operations	TOTAL	K	498,812,289	436,447,120
			498,812,289	436,447,120
EXPENDITURE :				
Interest & Other Charges		L	311,883,490	298,081,339
Payment to and Provision For Employees		M	31,955,771	22,318,753
Operational & Other Expenses		N	22,391,099	21,687,263
Provision for Contingency			3,565,767	1,208,049
Less: Transfer from Contingency Reserve II			-	(16,479)
Bad Debts Written off			8,306,154	5,143,974
Less: Transfer from Contingency Reserve I [Refer Note No. B-18 of Schedule Q]			(839,666)	(3,012,107)
Depreciation	TOTAL		2,273,113	2,324,286
			379,535,728	347,735,077
Profit before tax			119,276,560	88,712,043
Taxation:				
For the Year			33,975,037	24,291,905
For the earlier Year			525,014	713,335
Deferred Tax			(792,999)	530,828
Profit after tax			85,569,508	63,175,975
Add : Balance B/F from previous year			77,277,787	60,000,389
Profit available for appropriation			162,847,296	123,176,365
Appropriations :				
Special Reserve under Section 36(l)(viii) of the Income Tax Act 1961			24,000,000	17,688,399
Transfer to General Reserve			9,000,000	7,500,000
Proposed Equity dividend			11,080,705	7,080,705
Interim Dividend			10,621,058	10,621,058
Tax On Dividend			3,688,215	3,008,415
Balance carried to Balance Sheet			104,457,318	77,277,787
	TOTAL		162,847,296	123,176,365
Earning Per Share (Rs.)		O	10.17	8.92
Balance Sheet Abstract & Company Profile		P		
Significant Accounting Policies and Notes to Accounts		Q		

Schedules referred herein above and annexed hereto form part of the Profit & Loss Account.
 This is the Profit & Loss Account referred to in our report of even date.

For **B M CHATURVEDI & CO.,**
 Chartered Accountants

KAPIL WADHAWAN
 Chairman

R NAMBIRAJAN
 Managing Director

R S HUGAR
 Director

B M CHATURVEDI
 ICAI M. No. 17607
 FRN.114317W

G P KOHLI
 Director

BIKRAM SEN
 Director

Place : MUMBAI
 Date : 11.05.2010

M S L NATHAN
 Company Secretary

DHFL VYSYA HOUSING FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

(In Rs.)

	Year ended 31.03.2010		Year ended 31.03.2009	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		119,276,560		88,712,043
Adjustments for:				
Depreciation	2,273,113		2,324,286	
Provision for Gratuity	474,467		-	
Provision for contingencies	3,565,767	6,313,347	1,191,570	3,515,856
Operating profit before working capital changes		125,589,907		92,227,899
Adjustments for:				
Current Assets	11,818,664		(731,526)	
Current Liabilities	3,768,969	15,587,633	(5,874,387)	(6,605,914)
Cash generated from operations during the year		141,177,540		85,621,985
Contingency Reserve Utilised		(9,881,235)		(3,012,107)
Tax paid		(33,707,052)		(25,536,067)
Net Cash Flow from Operating activities [A]		97,589,253		57,073,811
B. CASH FLOW FROM INVESTING ACTIVITIES				
Addition / Deduction to investments	(48,300,000)		(311,219)	
Addition to fixed assets	(2,553,126)		(4,685,395)	
Reduction in fixed assets	4,651		327,606	
Net cash used in investing activities [B]		(50,848,475)		(4,669,008)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Equity Shares	40,000,000		-	
Premium on issue of Equity Shares	80,000,000		-	
ICD received from Parent Organisation	-		280,000,000	
Fresh ICD repaid by Parent Organisation	200,000,000		-	
Loans received from Banks/Institutions	1,604,790,000		915,300,000	
Fixed Deposits received	81,268,239	2,006,058,239	41,692,746	1,236,992,746
Loans repaid to Banks/Institutions	(851,645,627)		(617,769,318)	
Fixed Deposits repaid	(44,450,749)		(67,408,419)	
NCD Redemption	-		(200,000,000)	
ICD repaid to Parent Organisation	-		(280,000,000)	
Fresh ICD given to Parent Organisation	(200,000,000)	(1,096,096,376)	-	(1,165,177,737)
Loans disbursed	(1,723,220,251)		(727,412,791)	
Loans repayments	786,353,841	(936,866,410)	544,881,442	(182,531,349)
Dividend Paid		(17,701,763)		(17,701,763)
Tax paid on Dividend		(3,008,415)		(3,008,415)
Net cash from financing activities [C]		(47,614,724)		(131,426,518)
Net increase / decrease(-) in cash & cash equivalents [A+B+C]		(873,946)		(79,021,715)
Cash & cash equivalents at the beginning of the year		138,813,232		217,834,947
Cash & cash equivalents at the close of the year		137,939,287		138,813,232

Negative figures (-) represent cash outflows

This is the Cash Flow statement referred to in our report of even date

For **B M CHATURVEDI & CO.,**
Chartered Accountants**KAPIL WADHAWAN**
Chairman**R NAMBIKARAN**
Managing Director**R S HUGAR**
Director**B M CHATURVEDI**
ICAI M. No. 17607
FRN. 114317W**G P KOHLI**
Director**BIKRAM SEN**
DirectorPlace : MUMBAI
Date : 11.05.2010**M S L NATHAN**
Company Secretary

DHFL VYSYA HOUSING FINANCE LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

(In Rs.)

	As at 31 st March, 2010		As at 31 st March, 2009	
'A' - SHARE CAPITAL				
Authorised		200,000,000		200,000,000
2,00,00,000 Equity Shares of Rs.10/- each		200,000,000		200,000,000
Issued		110,807,050		70,807,050
1,10,80,705 [70,80,705] Equity Shares of Rs.10/- each		110,807,050		70,807,050
Subscribed and paid up		110,807,050		70,807,050
1,10,80,705 [70,80,705] Equity shares of Rs.10/- each [of the above 64,48,989 shares [41,20,989] of Rs.10/- each fully paid up are held by the Holding Company Dewan Housing Finance Corporation Limited]		110,807,050		70,807,050
TOTAL		110,807,050		70,807,050
'B' - RESERVES & SURPLUS				
a) Special Reserve under section 36(i)(viii) of the Income Tax Act, 1961. Balance as per last Balance Sheet Add : Transferred from Profit & Loss A/c	224,916,252 24,000,000	248,916,252	207,227,853 17,688,399	224,916,252
b) General Reserve Balance as per last Balance Sheet Add : Transferred from Profit & Loss A/c	52,704,374 9,000,000	61,704,374	45,204,374 7,500,000	52,704,374 50,403,525
c) Share Premium		130,403,525		
d) Contingency Reserve I Balance as per last Balance Sheet Less: Adjusted [Refer Note No.B-14 of Sch.Q]	9,881,235 9,041,569		12,893,342 3,012,107	
Less: Adjusted [Refer Note No.B-18 of Sch.Q]	839,666 839,666		9,881,235 -	9,881,235
e) Contingency Reserve II Balance as per last Balance Sheet Less: Transferred to P & L A/c	- -		16,479 16,479	-
f) Balance in Profit & Loss Account		104,457,318		77,277,787
TOTAL		545,481,470		415,183,174
'C' - SECURED LOANS				
National Housing Bank Scheduled Banks [Rupee Loan] [The above loans from National Housing Bank & other Banks are secured by way of first charge on all Book Debts, Housing Loans, Movable & Immovable Assets both present and future on pari passu basis]		1,994,248,252 1,662,732,187		1,611,515,273 1,292,320,792
TOTAL		3,656,980,439		2,903,836,065
'D' - UNSECURED LOANS				
Fixed Deposit	29,520,500		24,580,400	
Cumulative Deposits	89,877,213		58,947,197	
Add: Interest Accrued and due	10,450,206	129,847,919	9,502,832	93,030,429
TOTAL		129,847,919		93,030,429

DHFL VYSYA HOUSING FINANCE LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

(In Rs.)

		As at 31st March, 2010		As at 31st March, 2009	
F' - HOUSING & OTHER LOANS					
1) Housing Loans			3,828,076,838		2,856,966,489
2) Others Loans			401,030,261		435,274,200
	TOTAL		4,229,107,099		3,292,240,689
G' - INVESTMENTS					
TRADE INVESTMENT (AT COST)					
	No.	Face Value		No.	
BONDS:					
A) Quoted					
Government Securities:					
9.81% GOI BONDS - 2013	160000	100	19,723,750	160000	19,723,750
6.25% GOI BONDS - 2018	100000	100	9,580,000	100000	9,580,000
6.05% GOI BONDS - 2019	500000	100	48,300,000		-
Investment in Bonds Quoted -	[A]		77,603,750		29,303,750
Aggregate Market Value of the Quoted Investments			72,440,000		27,355,800
B) Quoted - Equity Shares					
Reliance Power Limited	222	10	62,550	222	62,550
Future Capital Holdings Limited	172	10	131,580	172	131,580
MRPL	3000	10	311,219	3000	311,219
Investment in Equity Shares Quoted	[B]		505,349		505,349
Aggregate Market Value of the Quoted Equity Shares			293,240		163,612
Total Investments	[A + B]		78,109,099		29,809,099
Less : Provision for diminution in the value of investment			5,375,860		2,289,688
Net Investments			72,733,239		27,519,411
H' - NET DEFERRED TAX ASSETS/(LIABILITIES)					
Deferred Tax Assets					
On Account of Provision for contingency		2,810,921		2,131,032	
On Account of others		149,341	2,960,262	36,232	2,167,264
Deferred Tax assets			2,960,262		2,167,264

DHFL VYSYA HOUSING FINANCE LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

(In Rs.)

	As at 31 st March, 2010		As at 31 st March, 2009	
'I' - CURRENT ASSETS, LOANS & ADVANCES				
Current Assets :				
Interest Accrued but not due on Investment		1,218,860		2,498,789
Sundry Debtors				
(Secured, Considered Good)				
Outstanding for more than six months	8,014,188		6,456,995	
Others	10,436,290	18,450,478	12,544,993	19,001,988
Cash & Bank Balance :				
Cash in hand		697,310		453,472
Cash at Bank : With Scheduled Banks :				
in Current Account	129,241,977		30,359,761	
in Reinvestment & Term Deposits	8,000,000	137,241,977	108,000,000	138,359,761
Loans & Advances :				
Other Assets	7,085,423		18,478,497	
Other Advances	4,420,571	11,505,994	3,807,721	22,286,218
TOTAL		169,114,619		182,600,227
'J' - CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities				
Interest Accrued but not due	2,824,562		2,591,109	
Sundry Creditors & Other Liabilities	7,106,344		4,467,061	
Advance received	9,310,136		8,459,203	
Unclaimed Dividend	206,111	19,447,152	160,811	15,678,183
Provisions				
For Proposed Dividend	11,080,705		7,080,705	
For Tax on Proposed Dividend	1,883,166	12,963,871	1,203,366	8,284,071
Provision for Gratuity				
		474,467		
Provision for contingencies				
(including provision for diminution in Investment)				
As per last Balance Sheet	8,811,587		7,603,538	
Add : Provision made during the year	3,565,767		1,208,049	
Balance Provision at the end of the year	12,377,354		8,811,587	
Less : Shown as diminution in Investment separately	(5,375,860)	7,001,494	(2,289,688)	6,521,899
TOTAL		39,886,984		30,484,153

DHFL VYSYA HOUSING FINANCE LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(In Rs.)

	As at 31 st March, 2010		As at 31 st March, 2009	
K' - INCOME FROM OPERATION		448,648,547		412,542,603
Interest - Loans		12,113,719		6,780,099
Interest - Deposits, Bonds & Others				
[Tax deducted at source Rs. 24,92,707/- (Rs. 9,34,456/-)]		19,390,777		7,022,989
Fees		18,659,246		10,101,429
Other Operational Income		498,812,289		436,447,120
TOTAL				
L' - INTEREST AND OTHER CHARGES		286,892,657		265,895,582
Loans		10,207,627		8,700,575
Deposits		12,014,288		20,638,265
On others		2,768,918		2,846,917
Finance Charges		311,883,490		298,081,339
TOTAL				
M' - PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		26,343,817		18,390,860
Salaries and Bonus		1,185,099		1,008,899
Staff Welfare Expenses		4,426,855		2,918,994
Contribution to Provident Fund & Other Funds		31,955,771		22,318,753
TOTAL				
N' - OPERATIONAL & OTHER EXPENSES		4,950,010		4,824,387
Rent		24,282		2,310
Rates & Taxes		966,805		1,067,152
Conveyance & Motor Car Expenses		1,517,980		1,112,267
Travelling Expenses		1,073,010		783,780
Printing & Stationery		393,895		500,602
Advertisement & Business Promotion		1,136,155		1,067,961
Insurance		2,010,856		1,731,157
Legal & Professional Charges		3,978,243		3,589,241
Postage, Telephone & Telegram		2,658,853		2,068,243
General Repairs & Maintenance		938,053		917,071
Electricity Charges		181,000		120,000
Directors Sitting Fees		123,089		18,608
Brokerage		1,069,972		1,180,514
Credit Rating Charges		(22,699)		100,406
Loss/(Profit) on Sale of Fixed Assets		-		1,373,577
Loss on Sale of Investments		1,391,597		1,229,989
Other Expenses		22,391,099		21,687,263
TOTAL				

DHFL VYSYA HOUSING FINANCE LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(In Rs.)

	As at 31 st March, 2010		As at 31 st March, 2009	
O' - EARNING PER SHARE				
Net Profit Attributable to Equity Shareholders		85,569,508		63,175,975
Profit after tax				
Net Profit attributable to equity shareholders		85,569,508		63,175,975
No. of Equity Shares (Number)		11,080,705		7,080,705
Weighted Average No. of Equity Shares		8,414,038		7,080,705
Nominal value of Equity Shares (Rs.)		10.00		10.00
Earning Per Share (Rs.)		10.17		8.92

DHFL VYSYA HOUSING FINANCE LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE - P

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
Information pursuant to Part IV of Schedule VI of the Companies Act, 1956.

I. Registration Details

 Registration No.
 Balance Sheet
 Date Month Year

08/11409
31/03/2010

State Code

08

II. Capital raised during the Year (Amount in Rs. Thousands)

Public Issue Nil

Rights Issue Nil

Bonus Issue Nil

Private Placement 40,000

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities 4,443,117

Total Assets 4,443,117

Sources of Funds

Paid-up Capital 110,807

Reserves & Surplus 545,481

Secured Loans 3,656,980

Unsecured Loans 129,848

Application of Funds

Net Fixed Assets 9,089

Investment 72,733

Net Current Assets 129,228

Misc. Expenditure -

Housing Loans 4,229,107

Accumulated Losses Nil

Deferred Tax Asset 2,960

IV. Performance of Company (Amount in Rs. Thousands)

Turnover 498,812

Total Expenditure 379,536

Profit Before Tax 119,277

Profit After Tax 85,570

Earning per Share in Rs. 10.17

Dividend Rate % 25%

**V. Generic Names of Three Principal Products/Services of Company
(as per monetary terms)**

 Item Code No.
 (ITC Code)
 Product Description

Nil

HOUSING FINANCE

Our report of even date attached.

 For **B M CHATURVEDI & CO.**,
 Chartered Accountants

B M CHATURVEDI
 ICAI M. No. 17607
 FRN.114317W

 Place : MUMBAI
 Date : 11.05.2010

KAPIL WADHAWAN
 Chairman

R NAMBJIRAJAN
 Managing Director

G P KOHLI
 Director

M S L NATHAN
 Company Secretary

R S HUGAR
 Director

BIKRAM SEN
 Director

DHFL VYSYA HOUSING FINANCE LIMITED

SCHEDULE FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

SCHEDULE 'Q': NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES: -

1. Basis of preparation of financial statements :

- a) The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 and Housing Finance Companies, (NHB) Directions 2001. Accounting Standards (AS) referred to in the notes are as issued by the Institute of Chartered Accountants of India.
- b) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the company.

2. Interest on housing loans :

Repayment of housing loan is by way of Equated Monthly Instalments (EMI) comprising principal and interest. Interest is calculated each year on the outstanding balance at the beginning of the Company's financial year or on monthly reducing balance in terms of financing scheme opted by the borrower. EMI commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI interest is payable.

3. Interest & other related borrowing cost :

Interest accrued on cumulative fixed deposit and payable at the time of maturity is clubbed with the principal amount on the date of periodical rest when interest is credited in Fixed Deposit account in accordance with the particular deposit scheme. Interest and related financial charges are recognised as an expense in the period for which they are incurred as specified in Accounting Standard (AS 16) on "Borrowing Costs".

4. Revenue Recognition :

- a) Interest on performing assets is recognized on accrual basis and on non-performing assets on realisation basis as per the guidelines prescribed by the National Housing Bank.
- b) Dividend on investment, fees and additional interest income on delayed EMI/PEMI are recognised on receipt basis.

5. Provisions for Contingency :

Provisions for Contingency have been made on outstanding housing loans and other assets as per the Prudential Norms prescribed by the National Housing Bank in respect of non-performing assets.

6. Investments :

All Investments, other than Investments in mutual funds, are in the nature of long term Investments and are valued at cost as per Accounting Standard (AS 13) on "Accounting for Investments" and the guidelines issued by the National Housing Bank. However, full provisions for diminution in the value of the said Investments are made. All the Investments are in the name of the Company.

7. Fixed Assets:

Fixed Assets are capitalised at cost inclusive of expenses incidental thereto. Depreciation on fixed assets is provided on written down value at the rates prescribed under Schedule XIV to the Companies Act, 1956.

8. Impairment of Assets :

An Asset is treated as impaired when the carrying cost of the Asset exceeds its recoverable value. An impairment loss is charged to the Profit & Loss account in the year in which an asset is identified as impaired. The impairment loss recognised in earlier accounting periods is reversed if there has been a change in the estimate of recoverable amount as specified in Accounting Standard (AS 28) on impairment of assets.

9. Special Reserve :

Company creates Special Reserve every year out of its profits in terms of Sec 36(1) (viii) of the Income Tax Act 1961 read with Sec 29C of the National Housing Bank Act 1987.

10. Prepaid Expenses :

Financial Expenses & Other Expenses incurred during the year which generate benefit in several accounting years have been treated as revenue expense only for the period relating to the current year and balance is treated as prepaid expenses to be adjusted on pro rata basis in the future accounting years.

11. Retirement benefits

Provident Fund contributions are made to Government Provident Fund and charged to Profit & Loss Account. In respect of Gratuity contributions by way of Premium made to an insurance company under Group Gratuity Policy, are charged to Profit & Loss Account. Leave Encashment in respect of retiring employees is charged to Profit & Loss Account when paid.

12. Earnings per share :

The earnings per share has been computed in accordance with Accounting Standard (AS-20) on, "Earnings per share" and is shown in the profit & loss account.

13. Income Tax :

Income tax provision is based on the present tax laws in respect of taxable income for the year and the deferred tax are treated in the accounts as per Accounting Standard (AS-22) on "Accounting for Taxes on Income". The Deferred tax assets and liabilities for the year, arising out of timing difference, are reflected in the profit and loss account. The cumulative effect thereof is shown in the Balance sheet. The deferred tax assets are recognised only if there is a reasonable certainty that the assets will be realized in future.

14. Housing and Other Loans :

Housing Loans include outstanding amount of Housing Loan disbursement directly or indirectly to individual and other borrowers. Other loans include mortgage against residential / commercial property, loan against the lease rental income from properties and project loan given to builders in accordance with the directions of National Housing Bank. EMI due from borrowers against the housing loans are shown as current assets as loans and advances.

B. OTHER NOTES TO ACCOUNTS:

- As certified by the Management, Housing Loans and Instalments due from borrowers are secured, by equitable mortgage of property and / or Pledge of shares, other securities, assignment of life insurance policies and / or personal guarantees and / or Undertaking to create a Security and are considered good.
- Current Assets, Loans, advances and Housing Loans include amount due from employees of the company as at 31st March 2010, Rs. 34,16,099/- (Rs.35,80,671/-), maximum amount due during the year was Rs.35,48,621/- (Rs.37,65,565/-).
- Remuneration to Managing Director (Cost to Company Basis):

	2009 - 10 in Rupees	2008 - 09 in Rupees
Basic Pay	13,64,194	9,60,000
Reimbursement of Rent	2,84,194	2,40,000
Perquisites & Other Allowances	11,13,701	6,25,123
TOTAL:	27,62,089	18,25,123

Remuneration to Managing Director is within the limits prescribed under sections 298, 269, 309, 310 and Schedule XIII of the Companies Act 1956.

- Legal & Professional charges include payments to Statutory Auditors:

	2009 - 10 in Rupees	2008 - 09 in Rupees
Audit Fees & Fees for certification [including payments to Branch Auditors]	5,65,000	4,51,000
TOTAL	5,65,000	4,51,000

5. The utilisation of Deferred Tax Asset of Rs.7,92,999/- (P.Y. Rs.5,30,827/-) for current year is included in the provision for taxes and debited to P & L A/c. Significant components of the deferred tax asset DTA / deferred Tax liability (DTL) as on the date of year-end are as under:

	As at 31-03-2009	for the year	As at 31-03-2010
DTA/ (DTL) – Fixed Assets	36,232	1,13,109	1,49,341
DTA – Provision for Non Performing Assets	21,31,031	6,79,890	28,10,921
Net Deferred tax asset / (liability)	21,67,263	7,92,999	29,60,262

6. The Company has de-recognised interest income on Non Performing Assets as on 31st March 2010 of Rs. 59,07,224/- (Rs.45,73,659/-) in terms of the requirement of the National Housing Bank.

7. Term loans from the National Housing Bank and other Banks are secured/to be secured by way of first charge to and in favour of the National housing bank and other Banks and jointly ranking pari passu inter-se, on the company's book debts and the whole of the present and future movable and immovable assets wherever situated excluding SLR assets read with note no.19 hereinafter and are also guaranteed by some of the promoters and directors.

8. Company has allotted on preferential allotment basis 40,00,000 equity shares Rs. 10/- fully paid up at issue price of Rs.30/- each on 28.11.2009 as approved by the members at the AGM held on 18th July 2009.

9. The Non Performing Assets comprising of the principal loans outstanding including arrears of interest in respect of financing for housing and real estate projects where payments of EMI / PEMI were in arrears for over 90 days amounted to Rs.375.73 lacs [Rs.383.15 lacs]. As per the prudential norms prescribed by NHB, Company is required to carry a contingency provision of Rs.54.14 lacs [Rs.48.11 lacs] in respect of Non Performing Housing Loan Assets, Rs.15.88 lacs [Rs.17.11 lacs] in respect Non Housing Standard Assets and Rs.53.76 lacs [Rs.22.90 lacs] in respect of diminution in the value of Investment in Government Securities. Company has written off Rs.74.66 lacs [Rs.21.32 lacs] by way of one time settlement to recover some of its NPA Accounts. Company has made during the year required provision of Rs.35.66 lacs [Rs.11.92 lacs] for Contingency in accordance with guidelines of Prudential Norms issued by National Housing Bank. The amount of provision based on performing and non-performing assets is given hereunder:

Housing Loans:

Asset Classification	Outstanding as on 31.03.2010		Provision as on 31.03.2010
	Rs.	%	Rs.
Standard (considered good)	379,45,59,766 (293,15,72,634)	99.13 (98.98)	Nil Nil
Substandard Assets	2,38,62,411 (2,39,27,233)	0.62 (0.81)	24,90,039 (23,92,723)
Doubtful Assets	96,54,661 (64,11,462)	0.25 (0.21)	25,17,923 (16,20,643)
Loss Assets	Nil (Nil)		Nil Nil
Total Assets	382,80,76,838 (296,19,11,329)	100.00 (100.00)	50,07,962 (40,13,366)

Non Housing Loans :

Asset Classification	Outstanding as on 31.03.2010		Provision as on 31.03.2010
	Rs.	%	Rs.
Standard (considered good)	39,69,73,908 (32,23,53,143)	98.99 (97.59)	15,87,896 (17,10,911)
Substandard Assets	40,56,353 (79,76,217)	1.01 (2.41)	4,05,635 (7,97,622)
Doubtful Assets	Nil (Nil)	Nil (Nil)	Nil (Nil)
Loss Assets	Nil (Nil)	Nil (Nil)	Nil (Nil)
Total Assets	40,10,30,261 (33,03,29,360)	100.00 (100.00)	19,93,531 (25,08,533)

Quoted Investments :

Asset Classification	Outstanding as on 31.03.2010		Provision As on 31.03.2010
	Rs.	%	Rs.
Quoted Investments	7,81,09,099 (2,98,09,099)	100.00 (100.00)	53,75,860 (22,89,688)

10. The Company has paid interim dividend @ 15% during the year and has further proposed final dividend @ 10% on enlarged capital in line with SEBI guidelines which is subject to approval of the members in the ensuing AGM.
11. Unsecured Deposits due within one year Rs.621.05 lacs (Rs.425.19 lacs).
12. i) The Company makes contributions towards provident fund for qualifying employees to Regional Provident Fund Commissioner under Defined Contribution Plan.
- ii) Employees are allowed to encash the unavailed leave during the year or encashment of accumulated unavailed leave at the time of retirement.
- iii) The Company has made full provision for future gratuity liability & leave encashment payable at the time of retirement as on 31st March, 2010 on the basis of actuarial valuation report of company liabilities based on Accounting Standard 15 [AS-15 Revised] and had taken group gratuity liability insurance and has paid requisite premiums.
- iv) The details of post retirement benefits for the employees (including Key Management Personnel) as mentioned hereunder are based on the actuarial valuation using the Projected Unit Credit Method, and as certified by the actuary as mentioned above and relied upon by the auditors :

(In Rs.)

Gratuity	Current Year (Funded)
A. Change in the Defined Benefit Obligations:	
Liability at the beginning of the year	17,69,744
Current Service Cost	4,17,651
Interest Cost	1,23,882
Benefits Paid	-
Actuarial Loss/ (Gain)	(30,383)
Liability at the end of the year	22,80,894
B. Fair Value of Plan Assets :	
Fair Value of Plan Assets at the beginning of the year	13,28,223
Expected Return on Plan Assets	92,976
Contributions	3,05,517
Benefits Paid	-
Actuarial gain / (loss) on Plan Assets	79,711
Fair Value of Plan Assets at the end of the year	18,06,426
Total Actuarial Gain /(Loss) to be recognised	1,10,194
C. Actual Return on Plan Assets: :	
Expected Return on Plan Assets	92,976
Actuarial gain / (Loss) on Plan Assets	79,711
Actual Return on Plan Assets	1,72,686

Gratuity	Current Year (Funded)
D. Amount Recognised in the Balance Sheet:	
Liability at the end of the year	22,80,894
Fair Value of Plan Assets at the end of the year	18,06,426
Difference	(4,74,467)
Amount Recognised in the Balance Sheet under " Provision for Employee Benefits"	(4,74,467)
E. Expense Recognised in the Profit and Loss Account:	
Current Service Cost	4,17,651
Interest Cost	1,23,882
Expected Return on Plan Assets	(92,976)
Net Actuarial Loss/(Gain) to be Recognised	(1,10,094)
Expense recognised in the Profit & Loss Account under staff expenses	3,38,464
F. Reconciliation of the Liability Recognised in the Balance Sheet :	
Opening Net Liability	4,41,521
Expense Recognised	3,38,464
Employer's Contribution	(3,05,517)
Amount Recognised in the Balance Sheet under " Provision for Employee Benefits"	4,74,467
G. Actuarial Assumptions :	
Mortality Table (LIC)	1994-96 (Ultimate)
Discount Rate (P. A.)	8%
Rate of Escalation in Salary (P.A.)	5%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market as certified by the actuary.

13. The Company's Income Tax Assessments have been completed upto Assessment Year 2008-09. Provision for tax includes Rs.5.25 lacs [Rs.7.13 lacs] relating to earlier year.
14. The Income Tax Appeal filed by the Company for Assessment Year 2005-06 regarding the I T demand of Rs.90.42 lacs pending before CIT (A) was dismissed during the year. Company has preferred further Appeal before Income Tax Appellate Tribunal. The above amount of Rs.90.42 lacs deposited with Income Tax Department pending final outcome of the appeal is adjusted by utilizing Contingency Reserve - I during the year and has not affected profit for the year.
15. The Company had received the fresh Assessment Order in respect of Assessment Year 2004-05 levying additional tax demand of Rs.21.92 lacs as directed U/s 263 of the I T Act 1961 and has filed Appeal before CIT (A). The Company has been legally advised that the tax claim is untenable, hence no provision has been made. However, to avoid recovery action against the Company by the I T Department, the Company has, without prejudice, deposited a sum of Rs.21.92 lacs, which is included under other assets.
16. There are no amounts due and payable to 'suppliers' registered under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of the year. No interest has been paid/ is payable by the Company during/for the year to these 'Suppliers'. The above information takes into account only those suppliers who have responded to the inquiries made by the Company for this purpose.
17. As required under Accounting Standard on "Related Party Disclosures" (AS - 18), notified by the Companies (Accounting Standard) Rules, 2006, the related parties of the Company are as follows:
 - A. Holding Company:
Dewan Housing Finance Corporation Limited
 - B. Others:
Mr. Kapil Wadhawan, Director
Mr. Dheeraj Wadhawan
 - C. Key Management Personnel:
Mr. R Nambirajan

The nature & volume of transactions (excluding reimbursements) of the Company during the year, with the related parties were as follows:

(Rs. in Lacs)

Particulars	Holding Company		Others		Key Management Personnel	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
INCOME:						
Interest from DHFL on ICD	40.21	-	-	-	-	-
EXPENDITURE:						
Remuneration to Mr.R Nambirajan	-	-	-	-	25.34	15.48
Sharing of exp paid to DHFL	9.00	8.85	-	-	-	-
Interest paid to DHFL	-	54.42	-	-	-	-
ASSETS:						
ICD given to DHFL	2000.00	-	-	-	-	-
ICD repaid by DHFL	2000.00	-	-	-	-	-
LIABILITIES:						
ICD received from DHFL	-	2800.00	-	-	-	-
ICD repaid to DHFL	-	2800.00	-	-	-	-
Fresh Share Capital subscribed including premium						
by DHFL	698.40	-	-	-	-	-
by Mr.Kapil Wadhawan	-	-	250.80	-	-	-
by Mr. Dheeraj Wadhawan	-	-	250.80	-	-	-

* ICD - Inter Corporate Deposits

18. The Company had received in 2004-05 from ING Vysya Bank a sum of Rs.175.21 lacs towards one time settlement of certain identified accounts listed under Share Purchase Agreement [SPA] which was credited to Contingency Reserve I Account. The Company has utilized in the past this contingency reserve in writing off bad debts referred in the list under SPA. Company during the year has also utilized the above reserve by Rs.90.42 lacs as per note B-14 here in above paid to IT Department. During the current Financial Year under SPA, a few accounts classified as NPA have been written off as bad debts amounting to Rs.8.39 lacs [Rs.30.12 lacs] by utilizing the remaining balance amount of Contingency Reserve I account which has been withdrawn during the year as it was created in line with the SPA, and has not affected current year profit.
19. As the National Housing Bank Directives require all HFCs, accepting Public Deposits, to create a floating charge on the statutory liquid assets maintained in favour of the depositors through the mechanism of a Trust Deed. The Company has appointed a SEBI approved Trustee Company i.e. GDA Trustee & Consultancy Ltd., as a Trustee for the above by executing a trust deed on 19.04.2010.
20. During the year, the Company has purchased 500000 bonds amounting to Rs. 483.00 lacs and no other purchase or sale of shares, debentures, bonds and mutual funds.
21. The main business of the company is to provide loans for the purchase, construction, repairs and renovation etc. of houses and flats to individuals, corporate bodies and builders. All other activities of the company revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS - 17) on "Segment Reporting".
22. Figures for the previous year have been reworked, regrouped, rearranged and reclassified wherever necessary. Accordingly, amounts and other disclosure for the previous year are included as an integral part of the current year's financial statement and are to be read in relation to the amounts and other disclosures relating to the current year.
23. Figures in brackets represent previous year's figures.

In terms of our report of even date.

For **B M CHATURVEDI & CO.**,
Chartered Accountants

B M CHATURVEDI
ICAI M. No. 17607
FRN.114317W

Place : MUMBAI
Date : 11.05.2010

KAPIL WADHAWAN
Chairman

R NAMBIRAJAN
Managing Director

R S HUGAR
Director

G P KOHLI
Director

BIKRAM SEN
Director

M S L NATHAN
Company Secretary

HIGHLIGHTS OF PERFORMANCE AT A GLANCE

(Rs. In Lakhs)

Particulars / Year	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	
Share Capital	300.00	300.00	300.00	450.00	450.00	450.00	450.00	450.00	450.00	708.07	708.07	708.07	708.07	708.07	708.07	708.07	708.07	708.07	1108.07
Reserves & Surplus	45.31	91.91	189.29	688.10	786.01	922.42	1106.04	1328.34	1482.75	1834.60	2309.24	2417.38	2941.96	3178.02	3501.79	3757.46	4151.83	5454.81	
Loans Funds	626.63	2099.89	4139.05	6001.21	7873.02	12013.50	12747.90	14602.50	15807.74	17540.13	16401.31	11403.07	11030.26	16758.95	23035.24	28929.35	29968.66	37868.28	
Total Assets	999.30	2623.52	4743.19	7277.53	9249.14	13539.30	14511.00	16618.20	18397.98	20082.80	19418.62	14528.52	14680.29	20645.03	27245.10	33394.88	34828.57	44431.17	
Fixed Assets	22.81	27.28	31.16	196.42	198.80	111.70	138.78	69.12	47.61	46.47	39.36	47.00	47.63	42.20	70.06	67.80	88.13	90.89	
Total Income	96.22	3321.86	653.77	995.66	1449.70	1856.65	2203.18	2419.96	2489.42	2843.89	2820.26	2175.59	1780.77	1944.17	2546.42	3459.93	4364.47	4988.12	
Cum. Approvals	1081.14	2130.79	5081.02	7725.00	12265.00	16806.00	20648.40	25644.00	31919.00	38407.00	42188.00	44455.00	50349.00	60161.00	71503.00	83301.00	91619.00	110754.95	
O/s Loans	824.34	1768.11	3712.28	5176.78	7922.32	10622.96	12358.40	14387.44	16383.78	18327.75	17061.03	13238.61	14083.90	19802.88	25120.84	31097.09	32922.41	42291.07	
Profit before tax	63.18	102.38	194.77	218.03	285.65	307.04	355.83	396.50	290.17	347.85	602.37	405.86	587.37	590.82	691.85	704.96	887.12	1192.77	
Profit after tax	43.58	76.61	142.37	183.03	183.11	214.98	262.18	300.51	223.83	292.91	470.10	318.88	443.88	468.67	550.29	523.64	631.76	855.70	
Special Reserve	44.46	85.98	163.96	191.33	268.56	388.01	510.36	653.16	771.90	910.35	1123.35	1218.70	1443.70	1673.70	1942.76	2072.28	2249.16	2489.16	
General Reserve	0.55	3.30	13.04	34.84	56.80	79.83	106.52	136.26	158.02	183.02	218.74	167.04	227.04	302.04	377.04	452.04	527.04	617.04	
Dividend	6%	10%	15%	16%	16%	16%	16%	16%	14%	14%	--	15%	20%	25%	25%	25%	25%	25%	
Book value/share	12	13	16	25.29	27.47	30.50	34.58	39.52	42.95	35.91	42.61	44.14	51.55	54.88	56.56	60.87	66.93	77.64	
EPS	1.5	2.6	4.7	4.07	4.07	4.78	5.83	6.68	4.97	4.26	6.64	4.50	6.27	6.62	7.77	7.40	8.92	10.17	
Return on Equity	15%	26%	47%	41%	41%	48%	58%	67%	50%	41%	66%	45%	62.69%	66.19%	77.68%	73.87%	89.27%	101.78	
Return on networth	13%	20%	29%	16%	15%	16%	17%	17%	12%	12%	16%	10%	12.16%	12.06%	13.73%	12.13%	13.34%	13.10%	
Credit Rating	NA	NA	NA	FA+	FA+	FA	FA	FA	FA	FA	FA	FAA-	FAA-	FAA-	FAA-	FAA-	FAA-	FAA-	
No. of Branches	1	7	7	8	13	13	13	13	13	13	13	13	13	13	15	15	18	17	

PERFORMANCE HIGHLIGHTS OF DHFL (PARENT COMPANY)

DHFL GROWTH

An increase in disbursement by 72.53% to Rs. 3865.50 Crores.

An increase in operating Income by 43% to Rs. 992.55 Crores.

An increase in Net Operating profit by 64.22% to Rs. 150.69 Crores.

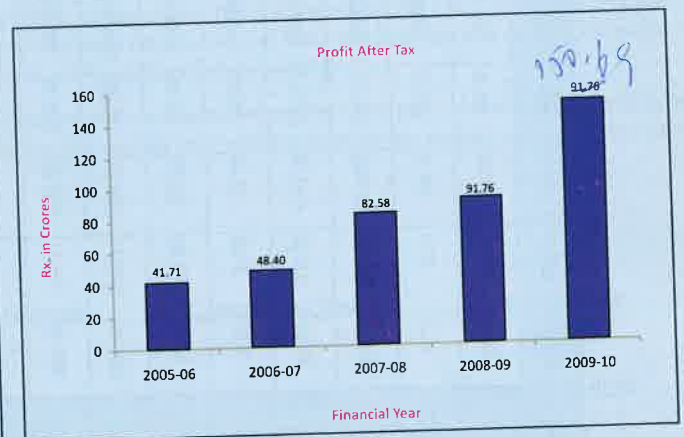
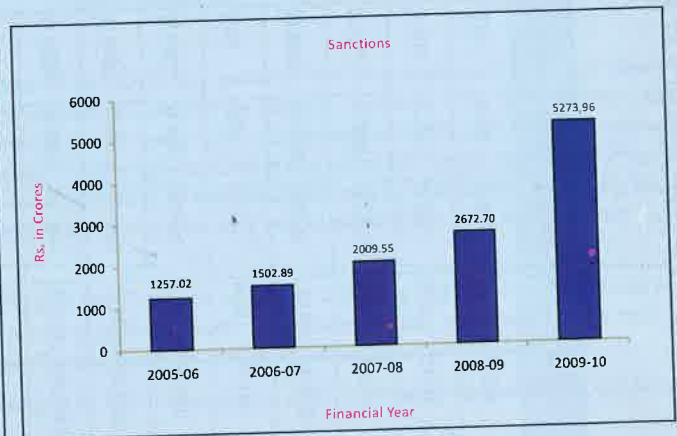
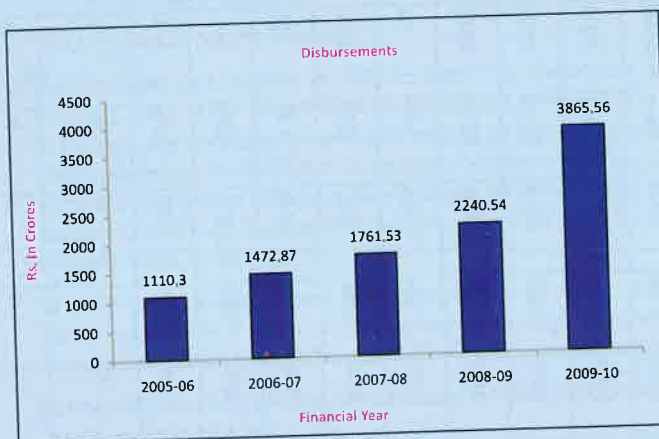
An increase in Profit before Tax by 62.91% to Rs. 202.19 Crores.

Disbursement 2008-2009 = 3865.56 Cr.

Sanctions 2008-2009 = 5273.96 Cr.

Revenues 2008-09 = 992.55 Cr.

Profit after Tax 2008-2009 = 150.69 Cr.





DHFL VYSYA HOUSING FINANCE LIMITED

Regd. Office: S 401, Brigade Plaza, Ananda Rao Circle, S.C Road, BANGALORE -560 009.

Please complete the Attendance Slip and hand it over at the entrance of the Meeting Hall.

ATTENDANCE SLIP

I HEREBY RECORD MY PRESENCE AT THE TWENTIETH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON THURSDAY, 22nd JULY, 2010 AT THE CORPORATE OFFICE, NO. 3, 8TH A MAIN, JVT TOWERS, SAMPANGIRAMNAGAR, BANGALORE - 560 027.

REG. FOLIO NO. _____ NO. OF SHARES _____

NAME OF THE SHAREHOLDER (IN BLOCK CAPITALS) : _____

NAME OF THE PROXY / REPRESENTATIVE ATTENDING FOR MEMBER : (IN BLOCK CAPITALS) _____

SIGNATURE OF THE SHAREHOLDER OF PROXY _____



DHFL VYSYA HOUSING FINANCE LIMITED

Regd. Office: S 401, Brigade Plaza, Ananda Rao Circle, S.C Road, BANGALORE -560 009.

PROXY FORM

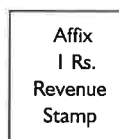
REG. FOLIO NO. _____ NO. OF SHARES _____

I/We _____ of _____ being a member/s of the DHFL VYSYA HOUSING FINANCE LIMITED hereby appoint _____ of _____ or failing him _____ of _____ my / our Proxy to attend and vote for me/us and my/our behalf at the Twentieth Annual General Meeting of the Company to be held on Thursday, 22nd July, 2010 and at any adjournments thereof.

AS WITNESS my/our hand(s) this _____ day of _____ 2010.

Signed by the said _____

- 1 The Proxy must be deposited at the Corporate Office of the Company not less than 48 hours before the time fixed for holding the Meeting.
- 2 The form should be signed across the stamp as per the specimen signature registered with the Company.



During the year 2009-10, the Company made special focus on rural housing and financed for construction of 1994 houses and disbursed 140.82 crores under Golden Jubilee Rural Housing Scheme programmes.



House located in Nagaram Village, R.R. District, Andhra Pradesh financed by our Hyderabad Branch.



House located at Thantoni Village, Udumalai Taluk, Coimbatore District, financed by our Coimbatore Branch.



House located in Hosa Ananduru, Srirangapatna Taluk, Mandya District, financed by our Mysore Branch.



House located at Ayappakkam Village, Ambattur Taluk, Thiruvallur District, T.N. financed by our Chennai Branch.



House located in Kurudampalayam Village, Coimbatore North Taluk, Coimbatore District, financed by our Coimbatore Branch.

“People who are homeless are not social inadequate. They are people without homes.”

Sheila

McKechnie

“Don't try to drive the homeless into places we find suitable. Help them survive in places they find suitable”

Daniel Quinn

AFFORDABLE HOUSING

With rapid global urbanization, millions of people are moving to cities, where most of them live in informal housing, usually on land they do not own and where they have no formal security of tenure. Most of them work informally, with irregular income and many of them are women. Working poor women seldom have access to formal financial services and other work from the homes. All of these factors make their lives and work complicated, and improving those lives and work hard – everything from the cost in time and money; of obtaining clean water every day, to safe and clean sanitation, to access to minimal capital to support a home-based activity. In the rapidly growing cities, “it's expensive to be poor.”

Thanks to the Governments Interest Subsidy Scheme, allowing 5% interest subsidy for the entire period of Housing Loan to URBAN POOR, i.e. Economically Weaker Section (EWS) and Low Income Group (LIG)



DHFL Vysya Housing Finance Limited

Corporate Office : No. 3, 8th 'A' Main Road, JVT Towers

Sampangirama Nagar, Bangalore - 560 027.

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